

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1803**

August 30, 2017

Secretary Ryan Zinke  
Department of the Interior  
1849 C Street, N.W.  
Washington DC 20240

Dear Secretary Zinke,

I am writing to you today to ask for your consideration of allowing for increased royalty relief in the Gulf of Mexico. As you are aware, the low cost of oil has resulted in many employers in the industry having to scale back operations in the Gulf and lay off workers. This has resulted in an historic employment crisis in many states, including my home state of Louisiana.

Since oil prices began their drastic decline in mid-2014 we have seen a reduction of over 135,000 jobs in the oil and gas industry. For states like Louisiana whom have a significant portion of their tax paying populace participating in this industry the effects have been dismal and placed many families in hardship.

I urge you to take necessary steps to prop up the oil and gas industry to ensure that we have a steady supply of American crude oil and to stem the loss of further American job opportunities in the Gulf of Mexico. While I am a firm believer that the federal government should not impede the efforts of U.S. industries, I do believe where the government can bolster industry and private endeavors it should.

One possible solution to promote increased drilling and production in the Gulf would be to expand the use of royalty relief to certain existing leases on the outer continental shelf. This tool has been used in the past to make drilling in the Gulf more easily accomplished by private industry and resulted in employment gains. While I stand ready and willing to work with your office on any necessary legislation to accomplish this, your Department does have some capability to begin this process under authority granted to it by the Outer Continental Shelf Lands Act. This specifically that authority states:

“The Secretary may, in order to promote increased production on the lease area, through direct, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease for such area.”<sup>1</sup>

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<sup>1</sup> 43 U.S.C. § 1337(a)(3)(A)

Taking this authority into consideration, as well as the criteria for granting relief clearly laid out in 30 C.F.R. § 203.2, I believe we can do more to increase production and regain these lost employment opportunities. I welcome any suggestions you may have on needed legislation to accomplish this goal and would appreciate any agency action you are willing to take independently. Our nation has an historic opportunity to put people back to work and bolster our economy, and I thank you for the work you and your agency for the role you are playing in this important mission.

Sincerely



Clay Higgins  
United States Congressman

CC:

Director Scott Angelle  
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